

INTERIM IRM PROCEDURAL UPDATE

DATE: 12/04/2009

NUMBER: WI-21-1109-0995

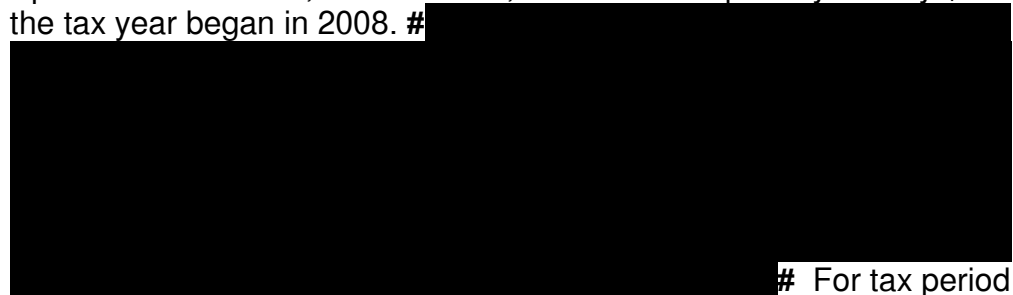
SUBJECT: FTF Penalties for Partnerships and S Corporations

AFFECTED IRM(s)/SUBSECTION(s): 21.7.4

CHANGE(s):

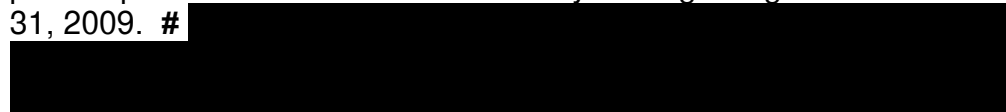
IRM 21.7.4.4.2.7(5) – Delete paragraph 5 and replace with the following. Also, add new paragraph 6.

- 5) Section 127 of the Workers, Retiree, and Employer Recovery Act of 2008, P.L. 110-458, increased the penalty for failure to file a timely and/or complete partnership return. For returns due after December 31, 2008 (tax period 200809 and subsequent), the penalty amount is increased by \$4 to \$89 per partner per month. In addition, the Hokie Spirit Memorial Fund, P.L. 110-141, increased the penalty rate by \$1 if the tax year began in 2008. #



For tax period 200912 through 201011, the penalty reverts back to \$89 per partner per month.

- 6) Section 16 of the Worker, Homeownership, and Business Assistance Act of 2009, P.L. 111-92, increases the penalty rate to \$195 per partner per month for returns with a tax year beginning after December 31, 2009. #



Follow the chart below:

For Tax Periods Ending	The penalty amount assessed per shareholder per month is:
200708 and Prior	\$50
200709 - 200808	\$85
200809 - 200811	\$89
200812 - 200911	\$90

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200912 - 201011	\$89
201012 and Subsequent	\$195

IRM 21.7.4.4.2.8.2(2) – Delete paragraph 2 and replace with the following:

- 2) See IRM 20.1.2.9.3, Penalty Relief, for details.

IRM 21.7.4.4.11.2.8(12) – Add new paragraph (12) as follows:

- 12) Section 16 of the Worker, Homeownership, and Business Assistance Act of 2009, P.L. 111-92, increases the penalty to \$195 per shareholder per month for returns with a tax year beginning after December 31, 2009.

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